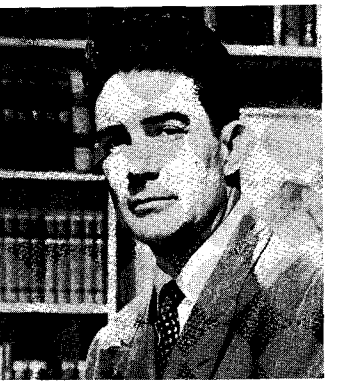
THE
Dan Smoot Report

Vol. 10, No. 8 (Broadcast 444) February 24, 1964 Dallas, Texas



DAN SMOOT

AN INCOMPREHENSIBLE POLICY

On February 13, 1964, Dean Rusk, Secretary of State, spoke to a national convention of school administrators, at Atlantic City, New Jersey. He urged strengthening of school programs so that young people will understand the basic elements of U. S. foreign policy. Mr. Rusk said:

"Every American boy and girl should be thoroughly familiar with the nature of the American government and the ideas out of which it developed."(1)

Mr. Rusk said the National Defense Education Act of 1958 should be expanded to provide the kind of education he suggests.(1)

The Constitution begins the grant of power from the people to the federal government with the phrase "All legislative powers *herein* granted" — obviously meaning that the federal government could legally exercise *only* the powers granted to it by the Constitution. The Bill of Rights concludes with the Tenth Amendment to the Constitution which says:

"The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

This emphatically reaffirms the constitutional principle that the federal government acts illegally (unconstitutionally) if it exercises any power not specifically delegated to it by the Constitution.

The Constitution grants no power to the federal government to do anything whatever with regard to education. Hence, all federal appropriations of tax money for public educational purposes violate our Constitution.

The federal government ("aiding" education by one means or another) has been violating this constitutional limitation for many years. In the late 1940's and early 1950's, however, federal

THE DAN SMOOT REPORT, a magazine published every week by The Dan Smoot Report, Inc., mailing address P. O. Box 9538, Lakewood Station, Dallas, Texas 75214; Telephone TAylor 1-2303 (office address 6441 Gaston Avenue). Subscription rates: $10.00 a year, $6.00 for 6 months, $18.00 for two years. For first class mail $12.50 a year; by airmail (including APO and FPO) $14.50 a year. Reprints of specific issues: 1 copy for 25¢; 6 for $1.00; 50 for $5.50; 100 for $10.00 — each price for bulk mailing to one person. Add 2% sales tax on all orders originating in Texas for Texas delivery.

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aid to education became an extremely controversial subject, and tremendous public resistance to all federal-aid proposals developed. It was obvious that the federal government could not subsidize education without eventually controlling it; and the nation had clearly seen the consequences of national political control of educational institutions, in fascist and communist countries.

In the presidential election of 1952, General Dwight D. Eisenhower took a positive stand against nationalizing our public school system, through federal subsidies. General Eisenhower was publicly on record as saying that all people who advocate federal aid to education are guilty of extravagance with public money, of dishonesty, and of behavior "more dangerous to our form of government than any external threat that can possibly be arrayed against us."[2]

Yet, one of the first things Eisenhower did, after his election and inauguration as President, was to create the Department of Health, Education and Welfare, which has become a major propaganda agency for federal aid to education. While in office, President Eisenhower recommended more federal aid to education than any previous President. Congress rejected his recommendations until 1958.

On October 4, 1957, the Soviets launched their first orbiting satellite, Sputnik I. On November 10, 1957, the United States Office of Education released a study to show that public schools in the Soviet Union were outpacing American schools disastrously in providing basic education for the development of space-age scientists. There was a frenzied outcry that our nation was doomed if we did not provide our youth with better education in the basic sciences — with a thunder of false propaganda to the effect that only tax money dispensed by the federal government could solve the problem and make our nation secure.

When President Eisenhower presented his "education message" to Congress on January 27, 1958, he said:

"This emergency program stems from national need, and its fruits will bear directly on national security . . . . prompt enactment of these recommendations [is] in the essential interest of national security."[3]

When Eisenhower's "education" proposals were introduced in Congress, they were called the *National Defense* Education Act of 1958. Now, anyone opposed to federal aid to education must necessarily be against national defense and security!

On September 2, 1958, the President signed the National Defense Education Act of 1958 into law. It remains not only the basic law in this field, but justification for all multi-billion dollar programs proposed by subsequent administrations.

Thus, the current Secretary of State, while complaining that American boys and girls are not being adequately instructed about the "nature of the American government and the ideas out of which it developed,"[1] reveals that he himself is either ignorant of, or cynically ignores, the meaning of American constitutional government.

Mr. Rusk recommends an expansion of unconstitutional federal-aid-to-education programs as a means of educating American youth to understand the basic elements of U. S. foreign policy. Yet, no amount of "education" can make anyone understand U. S. foreign policy, because the policy is incomprehensible. The calamitous consequences of that policy, on American national interests throughout the world, prove that it is a policy without sense or purpose — unless one is willing to accept the conclusion that U. S. foreign policy is planned and motivated by traitors who wish to destroy our Republic.

Trade and Commerce

In this *Report* last week, I reviewed a few spectacular and obvious failures of our foreign policy.[4] There are other facets of this incredible policy which the American public and Congress ought to ponder. One complex facet involves trade and commerce.

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In the American War For Independence, the American colonies became states, and won their *political* independence of Europe; but Europe still dominated the new American nation, *economically*. In those days, many of the manufactured goods used in America were produced in European factories. Tools for tilling American fields, much of the furniture in American homes, many articles of American clothing — came from Europe. The European powers which had lost political control in America were determined to preserve economic dominance.

The war for American *political* independence lasted eight years (1775-1783), and was won on the field of battle. The struggle for *economic* independence was more prolonged and complicated.

Our Founding Fathers (the men who wrote the Constitution in 1787, who were primarily responsible for its ratification and adoption in 1789, and who largely composed the first Congress and first administration under the new Constitution) knew that the United States would be economically independent of the old world and invulnerable to trade wars waged by foreign governments *only* if the United States could become economically self-sufficient — capable of producing within their borders all of the goods necessary for prosperity and progress in a civilized society.

How could such self-sufficiency be developed? In the old nations of the world (then, as now) commerce was considered a political instrumentality — a means by which political authority (that is, government) could jockey for advantage and control. The Founding Fathers, having witnessed the evils of governmental control in the economic affairs of men, put provisions in the Constitution and Bill of Rights prohibiting the federal government from intervening in such private affairs — guaranteeing that, in the United States, trade (foreign as well as domestic) would be enterprise by individuals, free of governmental domination.

This meant that American *individuals* would be in competition with foreign *governments,* not only for foreign markets but for the domestic American market. Governments in control of the economies of manufacturing and trading nations could prevent the development of manufacturing in the United States by the age-old practice of "dumping" — selling manufactured goods on the American market below the cost of production, making it impossible for American individuals (controlled by the free-market law of profit and loss) to operate competing factories. Once the American factories were thus destroyed, foreign producers could charge American consumers outrageous prices, to compensate for previous losses.

Learned enough to understand all of this and wise enough to do something about it, the Founding Fathers, in the Constitution, granted to Congress (*not* to the President or any other agency) power to protect the American people against such political-economic warfare from abroad. To encourage the development of American economic independence, our early statesmen treated foreign commerce as secondary to domestic commerce. Congress set up a "protective tariff" system, not to protect our businesses from the rigors of normal competition, but to protect our whole economy against attack by foreign governments.

Within the United States, businesses and individuals, free of crushing taxation, of bureaucratic harassment and controls, and of governmental subsidies, developed a vigorously competitive free-market system.

The American market — free and competitive within, protected against political-economic attacks from without — became the greatest in history. Thriving on this vast, free, competitive market, American industry developed the techniques of mass production and mechanization which enabled it to pay the highest wages in the world and still compete in normal world markets with the industries of other nations. Thus, our protective tariff system did not shut off America's world trade: it made our dominance in world trade possible.

With such a system, America was secure and independent. Foreign trade was helpful to our economy and contributed to our prosperity, but we never depended on it. If war shut off our trade with any portion of the outside world, we could

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still produce everything we needed and maintain a high level of national prosperity, because a great *domestic* market was the mainstay of our economic success.

In the twentieth century, Americans started scrapping the marvelous system which made their nation the most powerful in history. As socialism (called communism, fascism, or nazism) captured the minds of Europeans, the same worshipful attitude toward political power captured the minds of many Americans. If we would give government power to control, manipulate, and subsidize our economy (and then give government power to make economic bargains with foreign governments), *government* could eliminate the stresses and strains and ups and downs which are characteristic of a free economy regulated only by the law of supply and demand and the law of profit and loss!

The United States took a major step backward from her traditions of freedom and independence and adopted an essential part of the old-world system of absolute government in 1934 when Congress enacted the Trade Agreements Act. Congress abdicated its constitutional responsibility to regulate our foreign trade, surrendering it to the executive branch.

The Trade Agreements Act of 1934 empowered the President (with some restrictions and "escape" provisions) to use the economy of America as the stake in negotiating economic and political deals with foreign governments.[5]

From 1934 onward, Congress extended the Trade Agreements Act every time it was due to expire. Every time the Act was renewed, Congress was under intense pressure to "liberalize" it—that is, to give the President more power over the economy of the nation.[5] When significant opposition to the "reciprocal" trade program began to develop, the executive branch of government seemed to create conditions which would "justify" or "necessitate" continuance and "liberalization" of the program.

Following World War II, for example, when our "cold" war with the Soviet Union became a general topic of conversation, and when postwar technological developments began to make radical alterations in our economic activity, experts in government (and experts who served as unofficial propagandists for governmental programs) hammered the theme of "interdependence" of all nations: the strength of America rested on her industrial capacity; but (the experts reasoned) our industrial production was dependent on certain strategic goods which we must obtain from distant lands; hence, we must protect our sources of supply, by subsidizing the supplying nations to keep them from turning to communism.

The truth is that the United States, within her own continental limits, could produce a sufficient quantity of all the critical and strategic goods she needs.[6] We do not now produce all such goods, because our government has *destroyed small vital industries,* and used our tax money to finance development of those same industries abroad.

Manganese can be used as illustration. Manganese is a critical material, necessary in the production of steel. About 14 pounds of manganese is used (as a hardener) in every ton of steel. Without manganese, steel production would end and the wheels of American industry would stop. At present, American manganese mines produce only about 15% of the manganese we use. The rest is imported from Asia, Africa, and South America. In time of war, these distant sources of supply could easily be cut off. Yet, within the United States, there are enough known, undeveloped deposits of manganese ore to fill all our needs for 500 years.[6]

The Reciprocal Trade Agreements program did not always work reciprocally for the United States. Our government would reduce American tariffs against specific commodities from a foreign nation in exchange for a "reciprocal" reduction; but the foreign nation would often exclude American goods by other barriers not called tariffs.

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It was a long time before the American public was aware of these facts, however. When Congress first approved the program in 1934, the people were easily mesmerized by Roosevelt's promises of "bold," "new" experiments to eliminate the great depression. Before the public could realize that the New Deal "experiments" were making matters worse, our economy was stimulated by spending for war. During World War II, the public paid no attention to such matters as trade and tariffs. Following the war, a growing public awareness that all was not well, created difficulties every time Congress was asked to extend and "liberalize" the Reciprocal Trade Agreements program.

This condition combined with another to motivate a drive for removing the subject of trade and tariffs from the realm of meaningful public discussion, and to remove all control from Congress. The other condition was the craze, on the part of American totalitarian liberals, for a one-world society. The great UN one-world of interdependent nations could not be realized unless an *international agency* had control of all tariffs, international trade, industrial production, and distribution of raw materials.

Toward the end of creating such an agency, an international conference was held at Geneva in the spring and summer of 1947. Out of this Geneva conference, came GATT — the General Agreement on Tariffs and Trade — which tries to set tariff and trade policies for all nations.[7]

Congress refused to authorize American participation in GATT; but President Truman (and later President Eisenhower) managed to by-pass Congress and get us involved in GATT under executive agreements. Thus, the responsibility of regulating American foreign commerce — which Congress had illegally passed on to the President in 1934 — was given to an international organization composed (originally) of 36 nations.[7]

It is true that GATT has no enforcement powers. It can merely recommend. But ever since we joined the United Nations in 1945, our government has treated the "recommendations" of UN organizations as if they were binding agreements. Hence, GATT recommendations have generally had, in the United States, the force of formal treaty agreements. Moreover, GATT has served as a framework for, and a stepping stone toward, the kind of international agency that socialists really want.[7]

For example, at a UN conference in Havana, in November, 1947, the charter for the International Trade Organization was born. ITO would have placed American agriculture and all major American industries at the mercy of United Nations personnel who would have had the power to set production quotas and regulate distribution of essential raw materials all over the world — except, of course, in communist countries.

In April, 1949, President Truman submitted the ITO charter to Congress for approval. Congress rejected the thing; but that did not end the ITO scheme.

In January, 1951, Truman's State Department by-passed Congress again and organized the International Materials Conference — whose purpose was to initiate steps toward international control over certain materials produced and consumed globally.[8] The International Materials Conference established allocations of raw materials — decided what and how much raw material America would be permitted to get from abroad.

What was the result? Depletion of strategic stockpiles, scarcity in the United States of such critical material materials as copper, at a time when American copper mines lay idle; cutbacks in essential military production; and shortages of ammunition and military supplies for our soldiers in Korea!

IMC went out of existence in December, 1953. But in March, 1955, GATT (under the leadership of the American State Department) proposed OTC — Organization for Trade Cooperation. Every year for four years (1955 through 1958), President Eisenhower unsuccessfully urged Congress to approve American membership in OTC.[7] Finally giving up on OTC, the Eisenhower

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administration started working for an OECD — Organization for Economic Cooperation and Development. At a 20-nation conference in Paris (December, 1960), Douglas Dillon (then Eisenhower's Under-Secretary of State) signed for the United States a new treaty creating the OECD.[9]

The OECD agreement contains many of the most objectionable features of the defunct ITO and OTC — plus one other: the OECD incorporates, as the others did not, a scheme to make United States foreign aid a permanent feature of our policy, and to channel as much of that aid as possible through international agencies, over which Congress and the people of the United States will have no control, although they will pay practically all the cost.

The outgoing Eisenhower administration and the incoming Kennedy administration made an all-out effort in behalf of the OECD during the last weeks of 1960 and the early weeks of 1961. The propaganda for the agreement was so massive and deceptive that the United States Senate, on March 16,1961, ratified the OECD Treaty;[9] and an old dream of the international socialists came true: the United States was, at last, formally a member of an international organization designed ultimately to control the economic and trade policies of all member nations.

Our membership in OECD was used as one of the propaganda weapons, in 1962, to overcome opposition to President Kennedy's Trade Expansion Act. It was argued that we could not fulfill our international responsibilities under the OECD agreement — and that bright promises of OECD could not, therefore, be kept — unless Congress authorized the Trade Expansion Act. Congress passed the Trade Expansion Act of 1962; and, on October 11, 1962, President Kennedy signed it into law. Though replete with complicated reservations, the Act gives the President almost unlimited power to do anything he pleases with regard to the foreign commerce of the United States, in making trade and tariff deals with other governments. In this Act, Congress made almost complete the surrender of its constitutional power to regulate the foreign commerce of this nation.[5]

The *primary* argument for the Trade Expansion Act of 1962, however, was that the President needed the new power granted in that Act to negotiate desirable trade deals with the European Common Market.

On November 19, 1962 — 39 days after the Trade Expansion Act became law — Orville L. Freeman, U.S. Secretary of Agriculture, called the European Common Market farm policy "unreasonable and arbitrary protectionist action" against the United States. French Minister of Agriculture Edgard Pisani replied that the Common Market countries had no intention of changing their agricultural policies.[10] From that day to this, European Common Market discrimination against American goods — especially agricultural commodities — has grown harsher.

The Trade Expansion Act of 1962 has failed signally to accomplish the announced aim of its sponsors — just as *every other aspect* of American foreign policy has failed since we jettisoned the ancient trade-and-tariff policies created by Congress at the beginning of our national life, and abandoned the traditional American policy of benign neutrality toward all nations.

On May 17, 1963, United States Senator Strom Thurmond (Democrat, South Carolina), said:

"Despite the glib assurances which we in the Congress were given about the desires of the Common Market when we were considering the Trade Expansion Act, it now appears that the Common Market is by no means in a hurry to . . . swap . . . tariff reductions . . . in a truly reciprocal way with the United States. At this day it remains open to considerable doubt whether the Common Market will abandon its own concept of trade policy which best serves the interests of the European community in favor of the U. S. administration's novel ideas . . . .

"The Europeans recognize, if we do not, that a reduction in duty by the Europeans or by the United States will benefit primarily Japan and the low-wage countries of the world at the expense of the trade of both Europe and the

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United States . . . . It is notable that the unemployment rate in Common Market countries and Japan is 2 percent or less of the work force, whereas we in the United States are carrying the burden of a 6 percent unemployment rate . . . ."[11]

It is also noteworthy that the European Common Market was an American idea. It was formed under pressure from the American government, financed by money (for foreign aid) confiscated from American taxpayers. Industries in the Common Market countries (which are now creating unemployment in the United States by underselling U.S. industries not only in world markets but in America as well) were built, in large part, by money taken away from American wage earners and industries.

What To Do

We must scrap internationalism and return to the traditional, constitutional policies which we followed for 125 years. Otherwise, our Republic is doomed.

FOOTNOTES

(1) "Rusk Feels Education Falls Down In His Field," AP story from Atlantic City, N. J., *The Dallas Morning News,* February 17, 1964, Section 1, p. 7

(2) Letter to U. S. Representative Ralph W. Gwinn (R., N. Y.), from Dwight D. Eisenhower, *Congressional Record* (daily), June 14, 1949, p. A3690

(3) "Education — Message from the President of the United States," *Congressional Record* (daily), January 27, 1958, pp. 923-4

(4) "The U. S. Government Protested," *The Dan Smoot Report,* February 17, 1964

(5) *Congressional Quarterly Almanac for* 1962, pp. 254-5

(6) *Hearings Before the Military Affairs Subcommittee,* United States Senate, October 30, 1945; *Hearings Before the Subcommittee on Minerals, Materials, and Fuels of the Committee on Interior and Insular Affairs,* United States Senate, April 12-14, 1955

(7) *General Agreement on Tariffs and Trade,* Department of State Publication 6348, 1956; *A Gatt in Your Ribs,* by Fulton Lewis, Jr., 1956; *Mainline,* by U. S. Senator George W. Malone (R., Nev.), The Long House, Inc., Post Office Box 3, New Canaan, Conn., 1958

(8) Speeches of U. S. Senator Homer Ferguson (R., Mich.) on the Senate floor January 31, February 18, February 28, and March 3, 1952

(9) *Congressional Quarterly Almanac for* 1961, pp. 332-4

(10) "Common Market Rejects U. S. Plea," by Robert Alden, *The New York Times,* November 21, 1962, pp. 1, 15

(11) Speech by U. S. Senator Strom Thurmond (D., S. C.), *Congressional Record* (daily), May 17, 1963, pp. 8404-8

WHO IS DAN SMOOT?

Born in Missouri, reared in Texas, Dan Smoot went to SMU in Dallas, getting BA and MA degrees in 1938 and 1940. In 1941, he joined the faculty at Harvard as a Teaching Fellow in English, doing graduate work for a doctorate in American Civilization.

In 1942, he left Harvard and joined the FBI. As an FBI Agent, he worked for three and a half years on communist investigations in the industrial Midwest; two years on FBI headquarters staff in Washington; and almost four years on general FBI cases in various parts of the nation.

In 1951, Smoot resigned from the FBI and helped start Facts Forum. On Facts Forum radio and television programs, Smoot spoke to a national audience, giving *both* sides of controversial issues.

In July, 1955, he resigned and started his present independent publishing and broadcasting business — a free-enterprise operation financed entirely by profits from sales: sales of *The Dan Smoot Report,* a weekly magazine; and sales of a weekly news-analysis broadcast, to business firms, for use on radio and television as an advertising vehicle. The *Report* and the broadcast give only *one* side in presenting documented truth about important issues — the side that uses the American Constitution as a yardstick. The *Report* is available by subscription; and the broadcasts are available for commercial sponsorship, anywhere in the United States.

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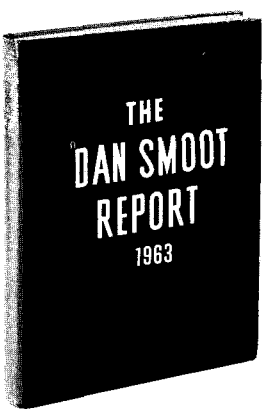

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